

1959

ANNUAL REPORT

OF

The Belt Railway Company

of CHICAGO

FOR THE

YEAR ENDED DECEMBER 31, 1959

BOARDS

MRb

652.0973

B419a

ORGANIZATION

DIRECTORS

R. G. RYDIN, The Atchison, Topeka and Santa Fe Ry. Co. Chicago, Ill.
M. I. DUNN, The Chesapeake and Ohio Ry. Co. Cleveland, Ohio
OWEN F. CLARKE, The Chesapeake and Ohio Ry. Co. Cleveland, Ohio
DAVID O. MATHEWS, Chicago & Eastern Illinois R.R. Co. Chicago, Ill.
H. C. MURPHY, Chicago, Burlington & Quincy R.R. Co. Chicago, Ill.
F. J. CONRAD, Chicago, Rock Island and Pacific R.R. Co. Chicago, Ill.
GARRET C. WHITE, Erie R.R. Co. Cleveland, Ohio
F. A. GAFFNEY, Grand Trunk Western R.R. Co. Detroit, Mich.
O. H. ZIMMERMAN, Illinois Central R.R. Co. Chicago, Ill.
HENRY J. BUCHMAN, Monon Railroad New York, N. Y.
H. W. LARGE, The Pennsylvania R.R. Co. Chicago, Ill.
ARTHUR K. ATKINSON, Wabash R.R. Co. St. Louis, Mo.
R. R. GALLIGAN, Wisconsin Central R.R. Co. Minneapolis, Minn.

At the annual meeting of the Stockholders held on April 14, 1959, Mr. H. C. Murphy was elected a Director to fill the vacancy created by the resignation of Mr. Holly Stover.

At a Special Meeting of the Stockholders held on August 11, 1959, Mr. H. W. Large was elected a Director to fill the vacancy created by the resignation of Mr. H. H. Pevler.

At a Special Meeting of the Stockholders held on December 8, 1959, Mr. M. I. Dunn was elected a Director to fill the vacancy created by the resignation of Mr. M. M. Cronk.

EXECUTIVE COMMITTEE

O. H. ZIMMERMAN, Chairman

OWEN F. CLARKE
F. A. GAFFNEY

DAVID O. MATHEWS
R. G. RYDIN

OFFICERS

President and General Manager L. A. EVANS
Vice President-Traffic F. J. WASSON
General Counsel F. C. GAGEN
Secretary and Treasurer J. R. EKHOLM
Auditor I. A. SCHILKE
Assistant Auditor C. L. HOLT
Assistant Secretary and Assistant Treasurer G. D. MORIARTY

GENERAL OFFICES

DEARBORN STATION, CHICAGO, ILLINOIS

ANNUAL MEETING OF STOCKHOLDERS

SECOND TUESDAY IN APRIL EACH YEAR AT CHICAGO

GENERAL REMARKS

Chicago, April 12, 1960

To the Stockholders of
The Belt Railway Company of Chicago

The Board of Directors herewith submits its report of operations for the year ended December 31, 1959.

OPERATING REVENUES:

Total operating revenues for the year were \$14,962,095 compared with \$14,536,557 in 1958, an increase of \$425,538, or 2.9 per cent. Total loaded cars handled in Belt Separate Operation, which comprises the principal source of operating revenue, increased 19,630, or 3.5 per cent, reflecting the increase of 2.5 per cent in nationwide carloadings for 1959.

RATES:

There was no change in rates or switching allowances during the year.

OPERATING EXPENSES:

Total gross operating expenses in 1959 were \$12,901,910, or \$115,486 more than 1958; higher wage rates amounted to \$275,075. Operating ratio decreased to 71.27 from 71.84 in 1958.

MAINTENANCE OF WAY AND STRUCTURES:

Gross Maintenance of Way and Structures expense increased \$85,539, or 5.4 per cent; that portion chargeable to Belt Railway Separate Operation increased \$82,694, or 7.0 per cent, principally due to increase in snow and ice removal expense reflecting severe weather encountered in 1959. Higher wages amounted to \$31,473.

Rail replacements in 1959 were 949 gross tons of new and 566 gross tons of secondhand rail compared with renewal of 908 gross tons of new and 1,247 gross tons of secondhand rail in 1958.

There were 4,845 crossties and 121,939 feet B.M. switch ties installed during the year compared with 4,772 crossties and 106,314 feet B.M. switch ties placed in 1958.

MAINTENANCE OF EQUIPMENT:

Gross Maintenance of Equipment expense decreased \$126,547, or 8.2 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$96,435, or 7.2 per cent, due to charge in the previous year covering repairs to six diesel locomotives damaged as a result of fire which destroyed the Clearing Roundhouse March 23, 1958. Higher wages amounted to \$21,075.

TRAFFIC:

Gross Traffic expense decreased \$5,493, or 5.0 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$4,252 or 4.9 per cent. Higher wages amounted to \$2,711.

TRANSPORTATION:

Gross Transportation expense increased \$90,781, or 1.0 per cent; that portion chargeable to Belt Railway Separate Operation increased \$179,778, or 2.5 per cent. Higher wages amounted to \$211,020.

GENERAL:

Gross General expense increased \$71,205, or 11.6 per cent; that portion chargeable to Belt Railway Separate Operation increased \$58,906, or 12.1 per cent. Higher wages amounted to \$8,796.

RAILWAY TAX ACCRUALS:

Increase of \$100,079 is principally due to increase in Railroad Retirement and Unemployment Insurance taxes.

JOINT FACILITY RENT INCOME:

Increase of \$96,300 is principally due to increase in Belt deficit apportioned to owner lines, and decrease in owner lines' proportion of rentals and taxes.

HIRE OF FREIGHT CARS:

Increase of \$497,566 is principally due to erratic Rail to Water boat schedules, causing accumulation and detention of coal cars, increase in revenue in lieu of reclaim allowance on additional Gartland tariff cars unloaded in 1959, delay in loading and unloading cars by industries evidenced by the substantial increase in demurrage income, also slightly slower average movement of cars due to

more severe weather and unauthorized strike of locomotive engineers, July 12 and 13, 1959.

DIVIDEND:

In view of the deficit from Belt Railway operations for the year 1959, no dividend was paid.

WAGE AND LABOR RELATIONS:

Agreements entered into in 1956 and 1957 with Railway Labor Organizations include provisions for changes in rates of pay and working conditions to be made as specified therein in the years 1956, 1957, 1958 and 1959. The changes made effective in 1956, 1957 and 1958 in conformity with the requirements of the agreements are outlined in the annual reports for those years. The requirements for 1959 have been met. They were:

Cost-of-Living Adjustments:

Upward adjustment of 3 cents applied uniformly on an hourly basis effective November 1, 1959, to all employees covered by the provisions of the agreements.

Basic Wage Rates:

No changes were made in basic hourly rates of pay in 1959.

SPECIAL:

Unauthorized strike of locomotive engineers occurred at 5 a.m. July 12. Work was resumed 4 p.m. July 13 in accordance with restraining order issued by Judge M. L. Igoe.

EMPLOYEE RELATIONS:

Employee development continued to receive the special attention of the management.

The improved procedure for employment inaugurated in 1957 has resulted in a substantial reduction in employee turnover and through careful selection an overall higher caliber of employee in service.

The number of employees at the end of the year was 1,510 compared with 1,620 in 1958.

ADDITIONS AND BETTERMENTS:

Additions and Betterments are indicated in detail on pages 10 and 11.

NEW INDUSTRIES:

During the year thirteen new industries were located and five vacated, compared with sixteen located and fourteen vacated in 1958.

LAKE CARGO COAL:

Lake cargo coal operation at the Rail to Water Transfer Corporation facilities, South Chicago, opened March 18 and closed December 4. Coal tonnage handled over the facilities during the year totaled 5,876,042, an increase of 99,099 tons, or 1.7 per cent, over the previous year.

CHICAGO REGIONAL PORT AUTHORITY:

On October 5, 1959, Certificate and Order was entered by the Interstate Commerce Commission favorable to applications of the Belt, Illinois Central, Pennsylvania, Kensington and Eastern, South Shore, New York Central and Indiana Harbor Belt for entry to the Lake Calumet port. On November 12 and 16, respectively, the Nickel Plate and Rock Island Railroads petitioned the Commission for stay of its Order and requested reconsideration. On December 30, 1959, Belt and other roads filed a reply to the Rock Island and Nickel Plate request for reconsideration.

ORGANIZATION CHANGES:

Mr. A. B. Hillman, Jr. was appointed Chief Engineer effective October 1, 1959, vice Mr. A. B. Hillman, Sr., retired.

Detailed statement of the accounts of the Company will be found in the following tables.

The Board desires to express its appreciation for the cooperation and contribution of the employees and managerial staffs during the year.

Respectfully submitted by order of the Board of Directors.

L. A. EVANS

President and General Manager

INCOME STATEMENT

For the Year ended December 31, 1959, compared with the
Year ended December 31, 1958

	1959	1958	Increase or (Decrease)
RAILWAY OPERATING REVENUES:			
Intermediate switching	\$ 5,833,923	\$ 5,802,001	\$ 31,922
Local switching	8,729,037	8,430,160	298,877
Storage-Freight	5	113	(108)
Demurrage	354,660	269,145	85,515
Rents of buildings and other property	1,282	863	419
Miscellaneous	43,188	34,275	8,913
Total railway operating revenues	\$14,962,095	\$14,536,557	\$ 425,538
RAILWAY OPERATING EXPENSES:			
Maintenance of way and structures	\$ 1,266,770	\$ 1,184,076	\$ 82,694
Maintenance of equipment	1,239,344	1,335,779	(96,435)
Traffic	83,324	87,576	(4,252)
Transportation-Rail line	7,528,322	7,348,544	179,778
General	545,889	486,983	58,906
Total railway operating expenses	\$10,663,649	\$10,442,958	\$ 220,691
(Detail pages 13-16)			
Net revenue from railway operations	\$ 4,298,446	\$ 4,093,599	\$ 204,847
Operating ratio	71.27	71.84	(.57)
RAILWAY TAX ACCRUALS:			
General property	\$ 980,907	\$ 1,086,425	\$ (105,518)
Federal income	125,924	16,800	109,124
Retirement	463,015	436,223	26,792
Unemployment	243,409	174,133	69,276
Other	5,446	5,041	405
Total railway tax accruals..	\$ 1,818,701	\$ 1,718,622	\$ 100,079
Railway operating income....	\$ 2,479,745	\$ 2,374,977	\$ 104,768
RENT INCOME:			
Rent from locomotives	\$ 23,242	\$ 14,034	\$ 9,208
Rent from work equipment	1,642	2,049	(407)
Joint facility rent income....	933,785	837,485	96,300
Total rent income.....	\$ 958,669	\$ 853,568	\$ 105,101

INCOME STATEMENT-Concluded

For the Year ended December 31, 1959, compared with the
Year ended December 31, 1958

	1959	1958	Increase or (Decrease)
RENTS PAYABLE:			
Hire of freight cars-			
Debit balance	\$ 1,753,738	\$ 1,256,172	\$ 497,566
Rent for locomotives	8	14,324	(14,316)
Rent for work equipment.....	78	221	(143)
Joint facility rents	155,091	148,406	6,685
Total rents payable	\$ 1,908,915	\$ 1,419,123	\$ 489,792
Net rents-debit	\$ 950,246	\$ 565,555	\$ 384,691
Net railway operating income	\$ 1,529,499	\$ 1,809,422	\$ (279,923)
OTHER INCOME:			
Income from lease of road and equipment	\$ 26,406	\$ 21,919	\$ 4,487
Miscellaneous rent income....	92,408	101,736	(9,328)
Interest income	61,929	37,404	24,525
Miscellaneous income.....	29,303	1,934	27,369
Total other income	\$ 210,046	\$ 162,993	\$ 47,053
Total income	\$ 1,739,545	\$ 1,972,415	\$ (232,870)
MISCELLANEOUS DEDUCTIONS			
FROM INCOME:			
Miscellaneous rents.....	\$ 1,031	\$ 896	\$ 135
Miscellaneous income charges.	1,646	2,257	(611)
Total miscellaneous deductions	\$ 2,677	\$ 3,153	\$ (476)
Income available for fixed charges	\$ 1,736,868	\$ 1,969,262	\$ (232,394)
FIXED CHARGES:			
Rent for leased roads and equipment	\$ 1,735,118	\$ 1,760,822	\$ (25,704)
(Detail page 12)			
Interest on funded debt.....	\$ 15,930	\$ 21,240	\$ (5,310)
Total fixed charges	\$ 1,751,048	\$ 1,782,062	\$ (31,014)
Income after fixed charges.	\$ (14,180)	\$ 187,200	\$ (201,380)

COMPARATIVE GENERAL BALANCE SHEET

ASSETS

	December 31, 1959	December 31, 1958	Increase or (Decrease)
CURRENT ASSETS:			
Cash	\$ 402,634	\$ 602,322	\$ (199,688)
Temporary cash investments	1,800,665	953,234	847,431
Special Deposits	13,393	-	13,393
Traffic and car-service balances-Dr... Net balances receivable from agents and conductors	146,005	179,000	(32,995)
Miscellaneous accounts receivable	95,598	74,209	21,389
Interest and dividends receivable	843,902	1,009,828	(165,926)
Accrued accounts receivable	3,539	3,382	157
Working fund advances	704,661	687,819	16,842
Prepayments	699	699	-
Material and supplies	135,607	187,498	(51,891)
	616,427	877,063	(260,636)
Total current assets	\$ 4,763,130	\$ 4,575,054	\$ 188,076
INVESTMENTS:			
Other investments	\$ 1,697,098	\$ 1,697,098	\$ -
PROPERTIES:			
Road	\$ 524	\$ 524	\$ -
Equipment (See pages 11 and 18).....	4,402,026	4,401,139	887
Improvements on leased property	15,557	12,785	2,772
Total transportation property	4,418,107	4,414,448	3,659
Accrued depreciation-Equipment.....	(1,668,545)	(1,498,671)	(169,874)
Total transportation property less recorded depreciation and amortization	\$ 2,749,562	\$ 2,915,777	\$ (166,215)
OTHER ASSETS AND DEFERRED CHARGES:			
Other assets	\$ 19,878	\$ 28,873	\$ (8,995)
Reserve for replacement of equipment leased from C&WI R.R. Co.-Retired- Equipment purchased from payments made by Belt Ry. Co. in anticipa- tion of retirements.....	909,760	909,760	-
Other deferred charges	5,297	3,152	2,145
Total other assets and deferred charges	\$ 934,935	\$ 941,785	\$ (6,850)
Total assets	\$ 10,144,725	\$ 10,129,714	\$ 15,011

NOTE.-Equipment leased by this company from Chicago and Western Indiana Rail-
road Company as of December 31, 1959, is valued at \$1,934,032 including
\$931,152 inventory value of equipment leased November 1st, 1912.

DECEMBER 31, 1959 AND DECEMBER 31, 1958

LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1959	December 31, 1958	Increase or (Decrease)
CURRENT LIABILITIES:			
Audited accounts and wages payable..	\$ 658,404	\$ 625,570	\$ 32,834
Miscellaneous accounts payable.....	205,122	194,413	10,709
Unmatured interest accrued.....	3,319	4,646	(1,327)
Accrued accounts payable	137,404	131,393	6,011
Federal income taxes accrued	229,116	234,116	(5,000)
Other taxes accrued	1,149,120	1,185,498	(36,378)
Other current liabilities	16,091	11,315	4,776
Total current liabilities	\$ 2,398,576	\$ 2,386,951	\$ 11,625
LONG-TERM DEBT, DUE, WITHIN ONE YEAR:			
Equipment obligations and other debt	\$ 236,000	\$ 236,000	\$ -
LONG-TERM DEBT:			
Equipment obligations	\$ 354,000	\$ 590,000	\$ (236,000)
Amounts payable to affiliated companies	1,452,742	1,388,968	63,774
Total long-term debt.....	\$ 1,806,742	\$ 1,978,968	\$ (172,226)
OTHER LIABILITIES AND DEFERRED CREDITS:			
Other liabilities.....	\$ 21,555	\$ 25,377	\$ (3,822)
Reserve for replacement of equipment leased from C&WI R.R. Co.-Retired-Equipment in the original inventory and replacements thereof.....	678	67,519	(66,841)
Reserve for replacement of equipment leased from C&WI R.R. Co.-Retired-Equipment purchased from bond proceeds and replacements thereof....	131,367	64,526	66,841
Reserve for replacement of fixed physical property retired and not replaced. Lease November 1, 1912 with C&WI R.R. Co.	2,953	1,846	1,107
Other deferred credits	7,821	506	7,315
Reserve for depreciation on road property leased from C&WI R.R. Co.	1,568,569	1,450,529	118,040
Reserve for depreciation on equipment leased from C&WI R.R. Co. ...	864,644	797,492	67,152
Total other liabilities and deferred credits	\$ 2,597,587	\$ 2,407,795	\$ 189,792
SHAREHOLDERS' EQUITY:			
Capital stock issued (A)	\$ 3,120,000	\$ 3,120,000	\$ -
Retained income-unappropriated.....	(14,180)	-	(14,180)
Total Shareholders' equity.....	\$ 3,105,820	\$ 3,120,000	\$ (14,180)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$10,144,725	\$10,129,714	\$ 15,011

(A) Owned one-thirteenth each - AT&SF, C&EI, CB&Q, CRI&P, Erie, GTW, IC, Monon, Penn., Wabash, Wisconsin Central. Two-thirteenths C&O.

ADDITIONS AND BETTERMENTS For the year ended December 31, 1959

ROAD LEASED FROM C&WI R.R. CO.		
EXPENDITURES AND RETIREMENTS DURING THE		
YEAR:		
Added:		
Subway bridge Cicero Ave. near 54th St.....		\$ 40,496
Increase weight of rail, improved frogs and switches :		
Clearing Yard	22,972	
Outside Clearing Yard	24,104	
Industry tracks		
Durothene Products Division.....	14,609	
General Mills, Inc.	7,859	
Roadway machinery and tools	13,167	
Rearrangement of track to serve Rail to Water facilities	10,005	
Miscellaneous improvements and adjustments:		
Clearing Yard	10,990	
Outside Clearing Yard	3,336	
Transfer to Miscellaneous Physical Property in accordance with Interstate Commerce Commission instructions, land and improvements leased by Rail to Water Transfer Corp.....	(191,807)	
		\$(44,269)
Retired:		
Clearing L.C.L. facilities	\$ 48,118	
Real Estate and special assessments	35,040	
Track and buildings Clearing Stock Yards	6,584	
Miscellaneous improvements and adjustments:		
Clearing Yard	15,699	
Outside Clearing Yard	7,026	112,467
Net expenditures during the year:		
Road Leased		\$(156,736)

ADDITIONS AND BETTERMENTS-Concluded **For the year ended December 31, 1959**

Brought forward.....			\$ (156,736)
EQUIPMENT LEASED FROM C&WI R.R. CO.:			
Expenditures and Retirements during the Year:			
Added:			
Chevrolet One Ton Truck No. A43.....	\$ 3,264		
Miscellaneous Additions	1,085		
	\$ 4,349		
Retired:			
Chevrolet Truck No. A25	2,201		
Net expenditures during the year:			
Equipment Leased			\$ 2,148
Total leased additions and betterments..			\$ (154,588)
EQUIPMENT OWNED:			
Expenditures and Retirements during the Year:			
Added:			
Volkswagen Station Wagon	\$ 2,206		
Application of cab ventilators to locomotives 303 and 450 to 458 incl.	578		
Application of containers for fusees and torpedoes on locomotives 303, 408 to 411, 450 to 458, 470 to 475, 500 to 506 and 520 to 523 incl.....	458		
Installation of fuel cutout operating handle on locomotives 303 and 408...	248		
	\$ 3,490		
Retired:			
Chevrolet Carryall A38	2,603		
Net expenditures during the year:			
Equipment Owned			887
Total leased and owned for the year 1959			\$ (153,701)

RENT FOR LEASED ROADS AND EQUIPMENT

For the Year ended December 31, 1959, compared with the
Year ended December 31, 1958

	1959	1958	Increase or (Decrease)
CHICAGO AND WESTERN INDIANA R.R.:			
Interest for one year at 4½%, as follows:			
\$14,000,000, the value placed upon the Belt Division of the Chicago and Western Indiana R.R. as it existed on May 11, 1911 and \$4,400,000, the cost to the Chicago and Western Indiana R.R. Co. of acquiring the property of Chicago Union Transfer Ry. Co...	\$ 828,000	\$ 828,000	\$
Interest for one year at 4% upon \$996,000 Consolidated Mortgage Bonds Chicago and Western Indiana R.R. Co. issued and used for additions and betterments to the Belt Division, made or acquired between May 11, 1911 and September 2, 1912.....	39,840	39,840	.....
Interest for one year at 5½% on \$2,993,694.24 represented by First and Refunding Mortgage Series "A" Bonds and \$98,000 Series "C" Bonds in sinking fund	170,043	170,043	.....
Interest for one year at 4½% on \$6,261,970.79 represented by First and Refunding Mortgage Series "D" Bonds in sinking fund September 1, 1952.....	266,134	266,134	.....
Interest for one year at 4-3/8% on \$6,478,436.75 First Collateral Trust Mortgage Series "A" Bonds to retire outstanding First and Refunding Mortgage 4½ Series "D" Bonds called for redemption September 1, 1952, interest at 4-3/8% on \$1,719,129.19 (new money) First Collateral Trust Mortgage Series "A" Bonds sold May 28, 1952, proceeds of which were or will be expended for future additions and betterments, also repayment of Bank loans and reimbursement of Treasury cash	358,644	358,644	.....
Payment to C&WI R.R. Co. as rental, income tax on profit from sales of Belt Ry. Co. leased property, amortization over the period of the lease of November 1, 1912 the Belt Ry. Co. proportion of expenses in connection with refinancing through sale of 4½ Bonds. Credit of interest at 4½% on \$301,237.63 covering adjustment of Joint Facility Zone rental and other miscellaneous rental charges.	9,790	34,453	(Note A) (24,663)
Total.....	\$1,672,451	\$1,697,114	\$ (24,663)
CHICAGO, PEORIA & WESTERN RY. CO.			
Track at Argo, Illinois	2,259	2,259	.....
CLEARING INDUSTRIAL DISTRICT, INC.			
Land and tracks at Clearing, Ill.	60,387	61,428	(1,041)
AMERICAN BRAKE SHOE AND FOUNDRY CO.			
Strip of land located at 26th Street and Kenton Avenue	11	11	.....
RAIL TO WATER, INC.			
Land in the vicinity of 100th Street and Calumet River	10	10	.....
Total	\$1,735,118	\$1,760,822	\$ (25,704)

Note "A": Due principally to decrease in payment to Chicago and Western Indiana Railroad Company for income tax on profit from sales of Belt Ry. Co. leased property.

OPERATING EXPENSES 1970

For the Year ended December 31, 1959, compared with the
Year ended December 31, 1958

	1959	1958	Increase or (Decrease)
MAINTENANCE OF WAY AND STRUCTURES:			
Superintendence	\$ 148,099	\$ 147,601	\$ 498
Roadway maintenance	143,565	137,051	6,514
Bridges, trestles, and culverts...	20,272	20,314	(42)
Ties	40,395	40,835	(440)
Rails	77,433	63,865	13,568
Other track material.....	104,987	83,040	21,947
Ballast	3,302	6,228	(2,926)
Track laying and surfacing	301,758	322,340	(20,582)
Fences, snowsheds, and signs	2,603	3,198	(595)
Station and office buildings	59,973	61,745	(1,772)
Roadway buildings	6,918	10,347	(3,429)
Water stations	2,299	1,374	925
Fuel stations	409	529	(120)
Shops and enginehouses.....	39,515	43,961	(4,446)
Wharves and docks	38	3	35
Communication systems	30,668	28,684	1,984
Signals and interlockers	160,197	143,172	17,025
Power plants	9,731	8,324	1,407
Power-transmission systems	6	523	(517)
Miscellaneous structures.....	7,593	11,167	(3,574)
Road property-Depreciation (Leased)	159,939	155,774	4,165
Retirements-Road	7,380	7,188	192
Roadway machines	11,686	14,013	(2,327)
Dismantling retired road property.	6,365	11,405	(5,040)
Small tools and supplies	27,262	26,622	640
Removing snow, ice, and sand	117,657	51,241	66,416
Public improvements-Maintenance...	7,000	10,422	(3,422)
Injuries to persons	19,628	18,028	1,600
Insurance	29,951	14,301	15,650
Stationery and printing.....	2,103	2,282	(179)
Other expenses	23,205	25,393	(2,188)
Right-of-way expenses	8,174	607	7,567
Maintaining joint tracks, yards and other facilities-Dr.	91,719	114,714	(22,995)
Gross total	\$1,671,830	\$1,586,291	\$ 85,539
Maintaining joint tracks, yards and other facilities-Cr.	405,060	402,215	2,845
Net - Belt Railway - Separate operation	\$1,266,770	\$1,184,076	\$ 82,694
Ratio to operating revenues	84.7	8.15	.32

OPERATING EXPENSES-Continued

For the year ended December 31, 1959, compared with the
Year ended December 31, 1958

	1959	1958	Increase or (Decrease)
MAINTENANCE OF EQUIPMENT:			
Superintendence	\$ 74,884	\$ 73,133	\$ 1,751
Shop machinery	16,691	21,424	(4,733)
Power-plant machinery	17,969	15,070	2,899
Shop and power plant machinery - Depreciation (Leased)	10,754	10,678	76
Dismantling retired shop and power plant machinery		607	(607)
Other locomotives - Repairs	521,603	683,078	(161,475)
Freight-train cars-Repairs	297,343	318,201	(20,858)
Work equipment - Repairs	3,191	2,795	396
Miscellaneous equipment - Repairs....	10,113	8,529	1,584
Dismantling retired equipment (Leased)	189	356	(167)
Equipment - Depreciation (Leased)....	68,639	67,800	839
Equipment - Depreciation (Owned)	172,226	173,768	(1,542)
Injuries to persons	14,212	11,074	3,138
Insurance	49,245	17,326	31,919
Stationery and printing.....	4,528	5,745	(1,217)
Other expenses	17,693	18,311	(618)
Joint maintenance of equipment expenses - Dr.	137,556	115,488	22,068
Gross total	\$1,416,836	\$1,543,383	\$ (126,547)
Joint maintenance of equipment expenses - Cr.	177,492	207,604	(30,112)
Net - Belt Railway - Separate operation	\$1,239,344	\$1,335,779	\$ (96,435)
Ratio to operating revenues	8.28	9.19	(.91)
TRAFFIC:			
Superintendence	\$ 30,689	\$ 35,543	\$ (4,854)
Outside agencies	64,355	66,856	(2,501)
Advertising	4,797	1,589	3,208
Stationery and printing	3,749	5,101	(1,352)
Other expenses	80	74	6
Gross total	\$ 103,670	\$ 109,163	\$ (5,493)
Charged to Owner Line operation.....	20,346	21,587	(1,241)
Net - Belt Railway - Separate operation	\$ 83,324	\$ 87,576	\$ (4,252)
Ratio to operating revenues	.55	.60	(.05)

OPERATING EXPENSES-Continued

For the Year ended December 31, 1959, compared with the
Year ended December 31, 1958

	1959	1958	Increase or (Decrease)
TRANSPORTATION - RAIL LINE:			
Superintendence.....	\$ 384,626	\$ 368,695	\$ 15,931
Dispatching trains	59,565	58,833	732
Station employees	864,023	967,974	(103,951)
Weighing, inspection, and demurrage bureaus	4,999	5,267	(268)
Station supplies and expenses.....	81,332	83,999	(2,667)
Yardmasters and yard clerks.....	584,949	623,946	(38,997)
Yard conductors and brakemen.....	2,616,748	2,474,808	141,940
Yard switch and signal tenders	358,128	393,349	(35,221)
Yard enginemen	1,729,993	1,654,831	75,162
Yard switching fuel	336,516	342,603	(6,087)
Water for yard locomotives	1,966	3,803	(1,837)
Lubricants for yard locomotive.....	35,106	37,465	(2,359)
Other supplies for yard locomotives.	31,806	29,047	2,759
Enginehouse expenses - Yard	174,286	168,205	6,081
Yard supplies and expenses	601,418	563,435	37,983
Crossing protection	50,323	63,675	(13,352)
Communication system operation	19,837	19,461	376
Stationery and printing	73,603	75,543	(1,940)
Other expenses	52,517	59,602	(7,085)
Insurance	51,816	26,121	25,695
Clearing wrecks	29,447	24,011	5,436
Damage to property	19,137	57,158	(38,021)
Loss and damage-Freight	78,339	118,034	(39,695)
Injuries to persons	226,490	225,560	930
Operating joint yards and terminals - Dr.	559,363	490,127	69,236
Gross total	\$9,026,333	\$8,935,552	\$ 90,781
Operating joint yards and terminals - Cr.	1,498,011	1,587,008	(88,997)
Net - Belt Railway - Separate operation	\$7,528,322	\$7,348,544	\$ 179,778
Ratio to operating revenues.....	50.32	50.55	(.23)

OPERATING EXPENSES-Concluded

For the Year ended December 31, 1959, compared with the
Year ended December 31, 1958

	1959	1958	Increase or (Decrease)
GENERAL:			
Salaries and expenses of general officers	\$ 128,437	\$ 119,555	\$ 8,882
Salaries and expenses of clerks and attendants	299,760	302,985	(3,225)
General office supplies and expenses	48,822	48,976	(154)
Law expenses	58,448	53,825	4,623
Insurance	884	468	416
Pensions and gratuities	45,596	38,025	7,571
Stationery and printing	15,424	16,492	(1,068)
Valuation expenses	221	108	113
Other expenses	81,977	27,445	54,532
General joint facilities - Dr.....	3,671	4,156	(485)
Gross total	\$ 683,240	\$ 612,035	\$ 71,205
General joint facilities - Cr.	137,351	125,052	12,299
Net-Belt Railway - Separate operation	\$ 545,889	\$ 486,983	\$ 58,906
Ratio to operating revenues	3.65	3.35	.30
Total gross	\$12,901,910	\$12,786,424	\$ 115,486
Total deductions.....	2,238,261	2,343,466	(105,205)
Total operating expense- (Belt Railway- Separate operation).....	\$10,663,649	\$10,442,958	\$ 220,691
Ratio to operating expenses	71.27	71.84	(.57)
Operating revenue per car	\$ 13.947	\$ 13.324	\$.623
Operating expenses per car	\$ 9.940	\$ 9.572	\$.368

CARS HANDLED

Cars Handled by The Belt Railway Company of Chicago in its "Separate Operations"	1959		1958		Increase or (Decrease) Percent
	Number	Percent	Number	Percent	
INTERCHANGE:					
Loaded cars	316,781	29.53	298,936	27.40	5.97
Empty cars	235,163	21.92	276,107	25.31	(14.83)
LOCAL:					
Loaded cars	267,486	24.93	265,701	24.35	.67
Empty cars	253,362	23.62	250,291	22.94	1.23
Total	1,072,792	100.00	1,091,035	100.00	(1.67)
TOTAL:					
Loaded cars	584,267	54.46	564,637	51.75	3.48
Empty cars	488,525	45.54	526,398	48.25	(7.19)
Total	1,072,792	100.00	1,091,035	100.00	(1.67)
Cars interchanged directly between Owner Roads at Clearing and other yards, being handled by the Belt Railway through those yards	460,354		499,657		(7.87)
Cars handled by Owner Lines in direct movement over Belt Railway Co. of Chicago.....	346,523		327,908		5.68
Total cars handled.....	1,879,669		1,918,600		(2.03)

The following statement shows the number of cars handled by The Belt Railway Company of Chicago in its "separate operations" annually during the past five years.

Year	Interchange		Local		Total Cars
	Loaded	Empty	Loaded	Empty	
1955	386,795	266,830	299,046	255,386	1,208,057
1956	381,289	272,906	315,939	279,228	1,249,362
1957	348,887	303,703	301,219	281,233	1,235,042
1958	298,936	276,107	265,701	250,291	1,091,035
1959	316,781	235,163	267,486	253,362	1,072,792

The following statement shows the number of cars interchanged during the last five years directly between Owner Roads at Clearing and other yards, being handled by the Belt Railway through those yards, also cars handled by Owner Lines in direct movement over The Belt Railway Company of Chicago.

Year	Number of Cars
1955	731,664
1956	752,903
1957	733,570
1958	827,565
1959	806,877

EQUIPMENT LEASED

	Number on Hand Dec. 31 1958	Number Added During Year	Number Retired During Year	Number on Hand Dec. 31 1959
Locomotives:				
Diesel	16	0	0	16
Freight Car Equipment:				
Box	1	0	0	1
Caboose	28	0	0	28
Total	29	0	0	29
Work Equipment:				
Wrecking derrick	1	0	0	1
Diesel clamshell	1	0	0	1
Tool car	1	0	0	1
Commissary car	1	0	0	1
Total	4	0	0	4
Miscellaneous Equipment:				
Automobile trucks	11	1	1	11

EQUIPMENT OWNED

Locomotives:				
Diesel	31	0	0	31
Freight Car Equipment:				
Caboose	5	0	0	5
Box	1	0	0	1
Total	6	0	0	6
Work Equipment:				
Flat cars	4	0	0	4
Gondola cars	2	0	0	2
Truck car	1	0	0	1
Refrigerator cars	1	0	0	1
Instruction car	1	0	0	1
Total	9	0	0	9
Miscellaneous Equipment:				
Automobiles:				
Truck	3	0	0	3
Suburban carryall	1	0	1	0
Volkswagen Station Wagon	0	1	0	1
Total	4	1	1	4

MILEAGE OF TRACK OPERATED

A - Leased From C&WI R.R. Co. B - Leased From Other Companies C - Operated Under Trackage Rights C&WI R.R. Co. D - Operated Under Trackage Rights - Other Companies	1959				
	First Main	Second Main	Other Mains	Yard Tracks and Sidings	Total
A - 1 - Cragin to Pullman Junction.....	19.32	19.31	.....	66.83	105.46
2 - Pullman Jct. to Commercial Ave.	2.10	2.05	.....	34.03	38.18
3 - Commercial Ave. to Steel Mills .....	.....	.....	.....	1.06	1.06
4 - Commercial Ave. to So. Deering .....	.....	.....	.....	37.56	37.56
5 - Main Line 55th St. to Elsdon	1.51	.....	.....	.17	1.68
6 - Clearing Yard, Incl. 59th St. Line...	4.23	4.24	.....	176.09	184.56
Total	27.16	25.60	.....	315.74	368.50
B - 7 - Chicago, Peoria & Western (Argo)....	.....	.....	.....	.52	.52
8 - Clearing Industrial District (North)....	.....	.....	.....	12.93	12.93
8A- Clearing Industrial District (South)....	.....	.....	.....	1.11	1.11
Total .....	.....	.....	.....	14.56	14.56
C - 9 - Pullman Jct. to Burnham.....	6.75	6.77	2.30	4.69	20.51
10 - 80th to 134th St. (Dolton Branch)....	6.74	6.76	3.81	.29	17.60
11 - 40th St. to 74th St. ....	.....	.....	4.26	.....	4.26
Total	13.49	13.53	10.37	4.98	42.37
D - 12 - C. R. I. & P. Ry. -South Chicago .....	.....	.....	.....	1.57	1.57
13 - P. F. W. & C. Ry. -South Chicago .....	.....	.....	.....	.09	.09
14 - I. H. B. R. R. -55th to Elsdon	1.41	1.40	.....	.....	2.81
15 - B. & O. C. T. R. R. Clearing to Proviso.	9.05	8.09	.....	13.70	30.84
16 - B. & O. C. T. R. R. Southwest Division (Cicero District) .....	.....	.....	.....	6.08	6.08
17 - N. Y. C. & St. L. R. R. -Ford Yd. & Lead..	.....	.....	.....	1.26	1.26
18 - Calumet Western R.R. 112th to 116th St.	.51	.....	.....	.....	.51
19 - Pennsylvania R.R. & I. H. B. R. R. (Joint) 116th to 117th St.	.11	.....	.....	.....	.11
20 - Chicago West Pullman and Southern R.R. So. Chicago .....	.....	.....	.....	.09	.09
21 - Elgin Joliet and Eastern Ry. Burnham.	.....	.....	.....	.17	.17
Total.....	11.08	9.49	.....	22.96	43.53
Grand Total	51.73	48.62	10.37	358.24	468.96

*Trackage Rights Not Exercised.

Above figures do not include yard tracks leased to The Belt Railway Co. of Chicago by Chicago and Western Indiana Railroad Co., but operated exclusively as follows:

1959

1.46 Miles - Warner Branch by C. W. P. & S. R. R.

9.20 Miles - Rockwell St. Yard by C. & O. Ry. Co.

10.66 Miles - Leased to but not operated by The Belt Ry. Co. of Chicago

TRackage RIGHTS GRANTED OTHER COMPANIES

Company	Location	Miles of Road
		1959
I. H. B. R. R.	Elsdon Branch	1.51
E. J. & E. Ry.	South Chicago to Millgate & South Deering	3.40
Chicago Short Line	South Chicago to South Deering	2.90
Total		7.81